

**IN THE CIRCUIT COURT OF JACKSON COUNTY,
MISSOURI, AT KANSAS CITY**

**STATE OF MISSOURI, ex rel.
Attorney General Eric S. Schmitt,**

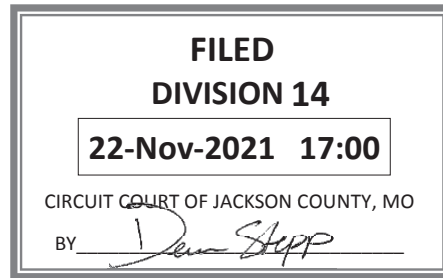
Plaintiff,

v.

**VINELANDERS COMMUNITY
LAND TRUST, INC., et al.**

Defendants.

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)
) **Case No. 2016-CV00120**
)
) **Division: 14**
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)



FINAL DEFAULT JUDGMENT

This case comes before the Court on Plaintiff's Motion for Default Judgment as to Defendants Vinelanders Community Land Trust, Inc. ("Vinelanders") and Alice Lee Goodlow ("Goodlow") (Collectively "Defendants"). The Court hereby grants judgment and finds as follows:

1. On June 23, 2020, the Court granted the State's Motion for an Order of Default.
2. As a result of that Default, Defendants are deemed to have: 1) falsely promised that they would provide homes to consumers in exchange for purchasing memberships and participating in the organization; 2) omitted the material facts that no members would receive a home, none of the funds solicited were used to obtain a home, and the funds were used exclusively for

the organization's operating expenses; and 3) engaged in deception in the solicitation of charitable donations by falsely suggesting that the funds would be used to provide homes to families. Plaintiff's Petition, ¶¶ 48-53.

3. It is further deemed established that the solicited funds "were not used for their solicited purpose, and Defendants failed to provide homes as promised to any members of Vinelanders Trust." Plaintiff's Petition, ¶ 43.

4. Defendant Goodlow admitted none of the solicited funds were ever used or invested toward providing a home to any of the members, and the funds were used exclusively to cover the operating expenses of the Vinelanders Trust. Plaintiff's Petition, ¶ 28-30.

5. On April 9, 2021, the Court held a hearing on damages. The State appeared by Assistant Attorneys General John W. Grantham and Ryan Blansett. Defendant Alice Goodlow appeared *pro se*. Defendant Vinelanders appeared not. The Court heard testimony and admitted Plaintiff's Exhibits 1 through 5. Over the objection of Plaintiff, the Court continued the hearing so Defendant Alice Goodlow could find counsel.

6. On October 12, 2021, the Court resumed the damages hearing. The State appeared by Assistant Attorney General John W. Grantham. Defendants appeared by counsel Henry C. Service. The court admitted Plaintiff's Exhibits 6-9, 15, 21-25, 27-28, and 30-41. Plaintiff was allowed to withdraw Plaintiff's

Exhibit 3, which was the State's Request for Admission which Defendants failed to answer but which they were later permitted to answer out of time.

7. At the hearing, the court heard testimony from Alice Goodlow. In general, the court found Alice Goodlow not to be a credible witness. For one example, Goodlow offered conflicting testimony regarding whether paying membership dues was a prerequisite to remaining a member and being placed on a priority list so that one could receive a home. This also conflicted with the portion of the bylaws admitted as State's Exhibit 41, which stated that members would be expelled for failing to pay membership dues.

8. Plaintiff showed through Defendant's tax records that Defendants took in \$42,932 in membership dues and fees in tax years 2017 and 2019. Plaintiff's Exhibits 1-2. The State admitted other tax returns for other years that also showed membership fees, but is only asking that Defendants return membership fees for two years. This is a reasonable request and is granted.

9. Defendants took in all these funds on the pretense that they would use the funds to construct homes for Trust members.

10. As set forth above, liability was established in this case through default. The petition did not describe merely the Defendants' bad acts for a few transactions, but rather the deception and false promises inherent in their entire enterprise. "Memberships sold by such devices result in money being acquired by [D]efendant[s] by means declared unlawful under the statute. The

statute [§407.100.4] advises [them] that [they] may be required to disgorge money so acquired.” *State ex. rel. Webster v. Areaco Inv. Co*, 756 S.W. 2d 633, 637). An award of restitution under § 407.100.4 may include “**any moneys . . . which may have been acquired** by means of any method, act, use, practice, solicitation , or any combination thereof, declared to be unlawful by this chapter.” Section 407.100.4. (**emphasis added**).

11. Defendants argued that the amounts on the tax returns do not exclusively show membership fees but include charitable contributions and therefore are not an accurate measure of damages. The Court rejects this argument for three reasons. First, some of Defendants’ Form 990’s do separately list charitable contributions. Second, the only evidence that the figures represented contributions in addition to membership fees and assessment was Defendant Goodlow’s testimony that the court does not find credible. Third, Defendants engaged in deception in the solicitation of charitable donations. Therefore, Defendants’ received these funds unlawfully, whether from a member who believed that they would receive a home, or from a donor who believed that someone would receive a home.

12. Plaintiff also showed through Defendants’ accounting records and witness testimony that Defendants accepted \$4,790.15 from eleven different members who complained to the Attorney General that the funds were solicited on the pretext that the funds would be used to give members houses.

Investigator Lindsey Velasquez testified that the 10 consumers listed below complained to the Attorney General's Office. In general, the Court found Inv. Velasquez to be a credible witness.

Consumer	Amount
Tith Ven	\$510
Charrise Crawford	\$355
Teresa Hayes	\$100
Derandle Thomas	\$539.15
Linda Chappel	\$780
Brennan Hudlemeyer	\$550
Lula Yates	\$345
Nina Grimes	\$80
Ramona Manning	\$626
Elbert and Jan Nance	\$685
Kristy Mitchell	\$220
Total:	\$4790.15

13. Investigator Lindsey Velasquez testified that the 10 consumers listed above complained to the Attorney General's Office about the promises made by defendants. In general, the Court found Inv. Velasquez to be a credible witness.

14. Inv. Velasquez also testified that during the investigation of this matter, she interviewed Goodlow, who admitted that it was not likely that any member would ever receive a home given Vineland's plan for fundraising.

15. These figures would support an alternative measure of restitution, but the Court is going to award the State the membership fees collected in tax years 2017 and 2018 as requested.

16. Because Defendants admitted that none of the funds they collected were ever used to build homes for members and members were never going to receive homes, the proper measure of damages is the amount of funds collected under that pretext - \$42,932 in tax years 2017 and 2018.

17. The evidence presented at the hearing on damages sets forth evidence supporting an award of restitution, costs, penalties, and injunctive relief against Defendants.

WHEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED that a final judgment in this matter is entered in favor of the State of Missouri and against Defendants for violating § 407.020, RSMo through: 1) false promises and 2) the omission of material facts in connection with the sale of merchandise in trade or commerce; and 3) deception in the solicitation of charitable donations.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants shall pay \$42,932 to the State of Missouri to the credit of the Merchandising Practices Restitution Fund, pursuant to §407.100.4, to provide restitution to consumers who were harmed by their actions.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants shall pay an amount equal to 10% of the restitution, or \$4,293.20, to the State of Missouri to the credit of the Merchandising Practices Revolving Fund per § 407.140.3, RSMo.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants, shall pay civil penalties of \$10,000 to the State of Missouri per § 407.100.6, RSMo.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants, shall pay \$106.00 to the State of Missouri for the fees and costs incurred by the Attorney General in the investigation, prosecution, and enforcement of this action per § 407.130, RSMo as demonstrated by the invoices filed on January 28, 2020.

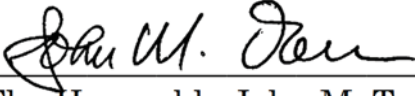
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that per 407.100, RSMo, Defendants, and their agents, servants, employees, representatives, and other individuals acting at their direction are permanently enjoined and prohibited from:

- 1) owning or operating organizations that sell or manage real estate services; and
- 2) managing or operating organizations that solicit charitable contributions.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Alice Goodlow and Vinelanders Community Land Trust are jointly and severally liable for the total amount of \$57,331.20 entered against them in this Judgment.

IT IS SO ORDERED.

Date: November 22, 2021


The Honorable John M. Torrence
Circuit Judge, Division 14
Circuit Court of Jackson County